To: McHugh, Michael, 1200 - New York Region (SCULLYA)
DDA:MSMAIL=RJRWS/RJRPO4/PETTORR; O=RJREM; P=WSX400; A=RJR; C=US
From: Kuruc, Nick
Posted: 9/4/97 7:52
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Subject: CTS Information

Rich:

On September 3, I met with Barry Schiano who is in the process of formulating a business plan to open a chain of 100 CTS stores in the Metro New York, New Jersey, Connecticut, Pennsylvania Trading Area. It appears that Barry is well read on the CTS concept, and is leaning towards the "Industry Approach" to merchandising.

I can provide Barry with all available information from CAPs, and that provided from Winston-Salem. However you can assist with the following:

[] What is happening with the Cigarettes For Less chain relative to:

> What is their average weekly CIV?
> What is the chain's stance on PM Exclusivity?
> Are they closing as many stores as they are opening? Why?

[] What are the numbers with regard to:

> Average weekly CIV of a PM Exclusive CTS Store
> Average weekly CIV of an Industry Approach store

[] Can Winston-Salem assist with a store design/layout as part of Barry's Business Plan?

[] What is the trend in merchandising for new CTS Chains:

> Store shelving with all Companies participating with Retail Display Plans.
> RJR and PM providing merchandising
> RJR providing merchandising
> Other than cigarettes, what categories are the new chains merchandising?
> To what extent are cigars being merchandised? Do all stores have humidors?

Rich, I will be meeting with Barry in the next two weeks. It would be greatly appreciated if you can give feedback to the above by early next week.

As information, attached is a copy of my presentation.

As always, thanks for your help.

CC: Orourke, Rory, 1300 - Philadelphia Region (SWEETD), Jacques, Mike R.
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